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FLOOR DEBATE

May 27, 2003

LB 283, 572, 759

Senator Bourne's amendment.

SPEAKER BROMM: The amendment is adopted. Mr. Clerk, another item on the bill?

CLERK: Mr. President, Senator Landis would move to amend with AM2098. (Legislative Journal pages 2036-2037.)

SPEAKER BROMM: Senator Landis, you're recognized to open on your amendment.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, this was an amendment that I've talked to a number of you about, but I had filed it to LB 283, and yet I realize that LB 283 is going to have sort of an extended debate over a number of issues. Senator Brown is concerned about the tentative tax issue on that one. I believe Senator Beutler has a couple of bills...a couple of amendments that reflect on the...what we might call the Nelson money, the federal money, and I think he's got a couple of ideas on how to do that on LB 283. And I thought this idea might get lost and I realized it was germane to LB 572 so I wanted to do it now. It starts last special session when the Revenue Committee remembered that on the heels of the 30-cent cigarette tax increase that the wholesalers' fee is collected as a percentage of the taxes that they collect. Now they are given that money for a number of duties and responsibilities they have, and they deserve a fee for that. But by jumping the cigarette tax 30 cents, as we did, we were essentially doubling the fee and the amount of money they got for exactly the same labor, exactly the same work. So the Revenue Committee dropped the wholesaler's fee to 1.7 percent. That meant that the wholesalers got almost the same amount of money that year for the same amount of labor, but I got to say it wasn't exactly a numerical fit. In fact, there's a better number than 1.7. Well, we, in LB 759, are continuing the 30-cent cigarette tax increase, but when Senator Brashear put that in his bill he forgot that we had done the 1.7, so he went back up to the historical norm, which was 3.4 percent. But the 3.4 percent added with the 30-cent tax increase means there's a windfall for cigarette wholesalers. They get about a million dollars more a year for doing the same labor. What this does is it catches